

**UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION**

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

v.

**SETHI PETROLEUM, LLC and
SAMEER P. SETHI,**

Defendants.

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**Case No. 4:15-cv-338
Judge Mazzant**

**DECLARATION OF MARCUS A. HELT IN SUPPORT OF
PLAINTIFF'S MOTION FOR SUMMARY JUDGMENT**

1. My name is Marcus Alan Helt. I am over the age of 21 and am competent to swear to the facts herein. I have been a practicing attorney in the areas of financial restructuring and reorganization for over fifteen years. I have a Bachelor's degree in accounting.

2. On May 14, 2015, I was appointed by the Federal District Court for the Eastern District of Texas, Sherman Division, as receiver over Sethi Petroleum LLC and Sameer P. Sethi, individually. Since my appointment, my team and I seized, inventoried, and investigated the assets and liabilities of the Receivership Estates. My team and I also reviewed thousands of pages of documents, and interviewed numerous employees, creditors, and investors.

3. My review and analysis leads me to the conclusion that the entire Sethi Enterprise was a sham. Although the enterprise was represented to include several discreet "joint ventures," in reality, it was run as a single enterprise, with significant commingling of money that came into and went out of the Receivership Estates. I found no observance of corporate formalities or separateness.

**DECLARATION OF MARCUS A. HELT IN SUPPORT OF
PLAINTIFF'S MOTION FOR SUMMARY JUDGMENT**

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4. The Sethi Enterprise was insolvent, and the only way to sustain operations of the Sethi Enterprise was through continued infusions of cash. The Sethi Enterprise received approximately \$13 million of cash under false representations that at least 75% of that money would go directly into purchasing mineral assets. However, of the \$13 million of cash, approximately \$3 million – or 21% - of that money was spent on the acquisition of minerals. The amount of minerals actually purchased was so small in relation to the debts and expenses of the Sethi Enterprise that the enterprise never had a possibility, let alone probability, of being a viable business. For example, in the sixteen months I have served as Receiver over the Sethi Enterprise, I have received a total of \$2,489.85 of proceeds of production attributable to mineral interests owned by the Sethi Enterprise.

5. As part of the NDDF transaction, the Sethi Enterprise acquired nine wells. My research revealed that the Sethi Enterprise owns approximately 80 wells, including the nine wells that were part of the NDDF transaction. The Sethi Enterprise's working interest in each well was usually less than 1%.

6. Of the approximate \$13 million of cash received by the Sethi Enterprise, at least \$2.5 million was paid to insiders of Sethi Petroleum – such as Sameer P. Sethi, Praveen Sethi, and other family members and their companies – in the form of cash or payments on credit cards of those individuals.

7. Documents found at the headquarters of the Sethi Enterprise show that “salesmen” who raised the cash for the Sethi Enterprise received a 12.5% commission on every dollar raised. If at least 75% of the money received by the Sethi Enterprise was to be spent on the acquisition of minerals – as represented in the private placement memoranda – that means only 12.5% of that money was available to cover all other non-acquisition expenses – such as

overhead, rent, salaries, and utilities. Unfortunately for the investors, the Sethi Enterprise spent virtually the entire \$13 million. Upon my appointment, the Sethi Enterprise had less than \$100,000 in cash on hand. Moreover, my team and I have tried selling the mineral interests actually owned by the Sethi Enterprise. To date, no one has offered to buy the interests for cash.

8. Neither I, nor anyone on my team, have found any indication of any vote conducted by the Sethi Enterprise, nor have we found any indication that the Sethi Enterprise organized a vote or solicited input of any kind from investors. To the contrary, internal documents of the Sethi Enterprise discovered by my team show that the Sethi Enterprise actively sought to minimize transparency with investors and limit the information to be made available to, and the involvement of, the investors.

9. On December 4, 2015, my counsel conducted an oral deposition of Sameer P. Sethi. The oral deposition on December 4, 2015, was transcribed by a Certified Shorthand Reporter in and for the State of Texas. A true and correct copy of the transcript of the oral deposition of Sameer P. Sethi is attached hereto as Exhibit A.

10. I declare under penalty of perjury pursuant to 28 U.S.C. § 1746 that the foregoing is true and correct to the best of my knowledge, information, and belief.

Executed this 14th day of September 2016 at Dallas, Texas.



MARCUS A. HELT

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

SECURITIES AND EXCHANGE
COMMISSION,

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v.

SETHI PETROLEUM, LLC and
SAMEER P. SETHI,

Defendants.

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Case No. 4:15-cv-338
Judge Mazzant

ORAL DEPOSITION OF SAMEER P. SETHI

ANSWERS AND DEPOSITION OF SAMEER P. SETHI,
produced as a witness at the instance of the Receiver,
taken in the above-styled and -numbered cause on the
4th day of December, 2015, A.D., beginning at
10:11 a.m., before Terri Garcia, a Certified Shorthand
Reporter in and for the State of Texas, in the offices
of Anderson Tobin, PLLC, located at 13355 Noel Road,
Suite 1900, Dallas, Texas, in accordance with the
Federal Rules of Civil Procedure and the agreements
hereinafter set forth.

EXHIBIT A

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A P P E A R A N C E S

FOR THE RECEIVER, MARCUS HELT:

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1 P R O C E E D I N G S

2 THE REPORTER: Did y'all want to put any
3 agreements on the record before I swear in the witness?

4 MR. HAYNES: I don't have any. Do you
5 have any?

6 MR. REED: As far as agreements, no.
7 But I do, you know, like we discussed through e-mail,
8 my intention here is -- and Sameer's intention here is
9 to exercise his Fifth Amendment right, given the
10 possibility of criminal charges that can result from
11 the allegations that are in the SEC's complaint.

12 MR. HAYNES: Understood.

13 Okay. I have nothing else if you want
14 to swear the witness in.

15 SAMEER P. SETHI,
16 having been first duly sworn, testified as follows:

17 EXAMINATION

18 BY MR. HAYNES:

19 Q. Mr. Sethi, my name is Michael Haynes. I
20 represent Marcus Helt, who is the Court-appointed
21 Receiver over you and Sethi Petroleum. You're familiar
22 with Mr. Helt, correct?

23 A. Per the advise of my counsel, I'm exercising
24 my Fifth Amendment right to not answer the question.

25 MR. HAYNES: That he knows Mr. Helt?

1 MR. REED: I've told you that's going to
2 be his answer.

3 MR. HAYNES: Okay.

4 Q. (BY MR. HAYNES) I'm going to ask you some
5 questions today. Your answers will be given under
6 oath, which means that it has the same effect as if you
7 were testifying before a judge or a jury. For the
8 assistance of the court reporter, it's important that
9 we do not talk over one another. So I'm going to do my
10 best to allow you to finish speaking before I ask a
11 question, and I ask that you allow me to finish asking
12 a question before you respond.

13 Because this deposition is being
14 transcribed, it is important that answer every question
15 with an audible answer and not simply shake or nod your
16 head. If at any time you do not understand a question,
17 please tell me and I will attempt to rephrase my
18 question. If you do answer a question, however, I'm
19 going to assume that you understood the question.

20 If at any time you need a break, please
21 feel free to ask me and we can take a break.

22 Can you please state your full name for
23 the record.

24 A. Sameer Praveen Sethi.

25 Q. Is there any reason today why you would not

1 be able to answer my questions honestly and completely?

2 A. Per the advise of my counsel, I will be
3 exercising my Fifth Amendment right and not answer
4 that.

5 Q. Are you currently taking any medications that
6 would impact your ability to recall facts or answer any
7 questions?

8 A. Per the advice of my counsel, I will be
9 exercising my Fifth Amendment right and not answer
10 that.

11 Q. Throughout the course of asking these
12 questions, your counsel or other counsel may raise
13 objections or your counsel may give you instructions,
14 for example, to plead the Fifth Amendment right. Just
15 want to make clear that they can raise objections or
16 instruct you whether or not to answer or whether or not
17 to plead the Fifth Amendment right. They cannot give
18 you an answer for any question.

19 Are you currently employed?

20 A. Per the advice of my counsel, I will be
21 exercising my Fifth Amendment right.

22 MR. HAYNES: To speed it along, do you
23 want to just stipulate that he says Fifth Amendment and
24 it'll be an exact recitation of that, that statement
25 that Mr. Sameer just said?

1 MR. REED: He can answer.

2 MR. HAYNES: Okay.

3 Q. (BY MR. HAYNES) What is your current
4 occupation?

5 A. Per the advice of the my counsel, I will be
6 exercising my Fifth Amendment right.

7 Q. Since the appointment of the Receiver, you
8 have earned income, correct?

9 A. Per the advice of my counsel, I will be
10 exercising my Fifth Amendment right.

11 Q. Since the appointment of the Receiver, you
12 have not reported any of those earnings to the
13 Receiver, correct?

14 A. Per the advice of my counsel, I will be
15 exercising my Fifth Amendment right.

16 Q. I noticed earlier when you gave the court
17 reporter your identification that you had a wallet. Do
18 you have any cash or debit cards in that wallet?

19 A. Per the advice of my counsel, I will be
20 exercising my Fifth Amendment right.

21 Q. Would any of that cash -- strike that.

22 That cash would be income to you since
23 the appointment of the Receiver, correct?

24 A. Per the advice of my counsel, I will be
25 exercising my Fifth Amendment right.

1 Q. Any bank accounts associated with the debit
2 cards or credit cards in your wallet would contain
3 income to you since the appointment of the Receiver,
4 correct?

5 A. Per the advice of my counsel, I will be
6 exercising my Fifth Amendment right.

7 Q. I'm going to hand you what I'd like to mark
8 as Exhibit 1.

9 (Exhibit No. 1 was marked.)

10 Q. (BY MR. HAYNES) At the top of Exhibit 1 is a
11 heading that says Joint Ventures - Contemplated Joint
12 Ventures, and there are 13 bullet point entries under
13 that heading. Throughout the course of this
14 deposition, I will refer to joint ventures. I'm
15 providing you this list of those entities so that
16 throughout the course of the deposition, when I refer
17 to joint ventures, I am referring to any or all of
18 these entities.

19 MR. REED: Is this a list you prepared
20 or is this something in the documents from the
21 corporation?

22 MR. HAYNES: This is a list that we
23 prepared from documents that we found at Sethi
24 Petroleum's headquarters.

25 MR. REED: Okay. So this is something

1 y'all prepared as a summary?

2 MR. HAYNES: Correct.

3 MR. REED: Okay.

4 MR. HAYNES: Correct.

5 MR. BAKER: It's also part of the
6 Receivership estate.

7 MR. HAYNES: Yes, it was -- correction.
8 This was also included in the motion to clarify what is
9 under the Receivership order that the Receiver filed,
10 this was attached and --

11 MR. REED: Okay.

12 MR. HAYNES: -- the Court's order says
13 that these are all Receivership entities that are
14 listed on this.

15 MR. REED: Okay.

16 MR. HAYNES: On the Exhibit 1.

17 Q. (BY MR. HAYNES) Mr. Sethi, you are the
18 former CEO of Sethi Petroleum, correct?

19 A. Per the advice of my counsel, I will be
20 exercising my Fifth Amendment right.

21 Q. You were paid a regular salary by Sethi
22 Petroleum, correct?

23 A. Per the advice of my counsel, I will be
24 exercising my Fifth Amendment right.

25 Q. And you are the sole owner of Sethi Petroleum

1 LLC, correct?

2 A. Per the advice of my counsel, I will be
3 exercising my Fifth Amendment right.

4 Q. You are the former CEO of Sethi Financial
5 Group, Inc., correct?

6 A. Per the advice of my counsel, I will be
7 exercising my Fifth Amendment right.

8 Q. And you have been paid a salary by Sethi
9 Financial Group, Inc., correct?

10 MR. REED: Per the advice of my counsel,
11 I will be exercising my Fifth Amendment right.

12 (Exhibit No. 2 was marked.)

13 Q. (BY MR. HAYNES) I'm handing you Exhibit 2.
14 This is a printout that was produced to the Receiver by
15 Bank of America in response to a subpoena that the
16 Receiver issued for a credit card in the name of Sethi
17 Financial Group, Inc. and Sameer Sethi, individually.
18 On page -- on Page 5 of that document, it says
19 Applicant Detail Record. Name, Sameer Sethi. This is
20 your application for a credit card, correct?

21 A. Per the advice of my counsel, I will be
22 exercising my Fifth Amendment right.

23 Q. On the last page of this exhibit, about 10
24 lines down it says application received time stamp,
25 January 5th, 2010. That means you applied for this

1 credit card in January 2010, correct?

2 A. Per the advice of my counsel, I will be
3 exercising my Fifth Amendment right.

4 Q. Middle of the page, staying on that same
5 page, it says first cardholder, primary guarantor;
6 first name, Sameer; last name, Sethi; again, indicating
7 that this was your application for a credit card,
8 correct?

9 A. Per the advice of my counsel, I will be
10 exercising my Fifth Amendment right.

11 Q. A few lines down, it says your annual salary
12 is \$280,000. Did you make \$280,000 as of January 5th,
13 2010 per year?

14 A. Per the advice of my counsel, I will be
15 exercising my Fifth Amendment right.

16 Q. As of January 5th, 2010, you did not have an
17 annual salary of \$280,000 per year, correct?

18 A. Per the advice of my counsel, I will be
19 exercising my Fifth Amendment right.

20 (Exhibit No. 3 was marked.)

21 Q. (BY MR. HAYNES) I'm handing you Exhibit 3.
22 I've handed you a tax return that is a federal tax
23 return for you, personally, for tax year 2012. The
24 name on the top says Sameer Sethi. Is that your Social
25 Security number next to it?

1 A. Per the advice of my counsel, I will be
2 exercising my Fifth Amendment right.

3 Q. So this is your tax return, correct?

4 A. Per the advice of my counsel, I will be
5 exercising my Fifth Amendment right.

6 Q. On Page 7 of this exhibit, this is a
7 Schedule C for Sameer Sethi, and it says the name of
8 the business where income is earned is from Sethi
9 Financial Group, correct?

10 A. Per the advice of my counsel, I will be
11 exercising my Fifth Amendment right.

12 Q. This evidences that you were claiming to the
13 IRS that you received income from Sethi Financial
14 Group, Inc., correct?

15 A. Per the advice of my counsel, I'm exercising
16 my Fifth Amendment right.

17 Q. On Page 18 of the tax return --

18 MR. REED: Sorry. What page did you
19 say?

20 MR. HAYNES: 18, 1-8.

21 MR. REED: They're numbered or...

22 MR. BAKER: No, you've just got to
23 count.

24 MR. HAYNES: It is towards the back. It
25 says Auto Expesne Work Sheet at the top.

Sameer P. Sethi

1 Q. (BY MR. HAYNES) On this 2012 federal tax
2 return, you assert that you drove 63,450 miles for 2012
3 on business, correct?

4 A. Per the advice of my counsel, I'm exercising
5 my Fifth Amendment right.

6 Q. You didn't really drive 63,450 miles on
7 business in 2012, did you?

8 A. Per the advice of my counsel, I'm exercising
9 my Fifth Amendment right.

10 Q. On the first page of that Exhibit 3, it says
11 that your adjusted gross income was \$40,283 for tax
12 year 2012. You had adjusted gross income of more than
13 \$40,283 in tax year 2012, correct?

14 A. Per the advice of my counsel, I'm exercising
15 my Fifth Amendment right.

16 Q. You exercised control over the entity known
17 as Sethi Operating Company, correct?

18 A. Per the advice of my counsel, I'm exercising
19 my Fifth Amendment right.

20 Q. You exercised control over the entity known
21 as Sethi Oil & Gas, Inc., correct?

22 A. Per the advice of my counsel, I'm exercising
23 my Fifth Amendment right.

24 Q. You were a decision-maker for each of the
25 joint ventures, again, those entities being listed on

1 Exhibit 1, correct?

2 MR. REED: Just a minute. I'm going to
3 go ahead and object. We're getting way outside of the
4 scope of the Receiver's ability that's given in the
5 Receivership order. Now, I've kind of been lenient as
6 we've been going through this, knowing that he's taking
7 the Fifth Amendment right here. But as to the ability
8 to ask questions under the authority given to the
9 Receiver under the order, this -- these questions are
10 way outside that -- that -- that authority at this
11 point.

12 MR. HAYNES: I disagree but your
13 objection's noted.

14 MR. RODRIGUEZ: Also, dovetailing on
15 that objection, I'll make an objection. My name's
16 Rafael Rodriguez. I'm appearing on behalf of
17 Mr. Praveen Sethi, who is a nonparty movant in this
18 case against Sameer Sethi and Sethi Petroleum.

19 I'm objecting on the basis that the
20 questions that are -- have been asked since I have
21 appeared here today are outside the scope of the
22 limited discovery that was permitted by the Court as it
23 relates to Praveen Sethi's Motion to Unfreeze Assets
24 and Shahnaz Sethi's Motion to Unfreeze Assets.

25 MR. HAYNES: This deposition is not

1 specific to that motion.

2 MR. REED: I'm --

3 MR. RODRIGUEZ: Object.

4 MR. REED: Go ahead.

5 MR. RODRIGUEZ: Thank you very much for
6 that, Michael. Then I'm objecting to any of the
7 testimony that's elicited here today being used against
8 my client or at the hearing related to my clients,
9 Praveen Sethi and Shahnaz Sethi's Motion to Unfreeze
10 Assets.

11 MR. HAYNES: Noted.

12 MR. REED: Michael, I mean, before -- I
13 mean, because at this point, I'm not seeing a -- a
14 logical, other than harassment here, of how these
15 questions fit within the -- the powers given to the
16 Receiver to conduct this deposition. Unless you can
17 tell me otherwise, we may need to stop this and seek
18 the Court's guidance then.

19 MR. HAYNES: The Receiver has broad
20 powers to investigate the assets, liabilities and
21 transactions that occurred prior to the appointment of
22 the Receiver. Each of these questions are aimed at
23 either dealing with Praveen Sethi's Motion to Unfreeze
24 Assets or general investigation of assets, liabilities
25 and historical transactions of Sethi Petroleum or the

1 related entities.

2 MR. REED: Asking him whether a control
3 person or what doesn't have anything to do with
4 investigating the liabilities, assets of the
5 Receivership or state of those entities, does it?

6 MR. HAYNES: Yes, I believe it does.

7 MR. REED: And how so?

8 MR. HAYNES: I just believe it does.
9 I'm not going to get into a debate with you. If you
10 want to take it to the judge, we can. But I'm going to
11 ask my questions. If he wants to take --

12 MR. REED: Other than it just seems to
13 be here for harassment otherwise. I'm mean, if you're
14 going to ask about questions that fall within this
15 authority here, then, you know, we can, you know, have
16 him assert his Fifth Amendment right. If you're just
17 here to harass him and ask him questions that fall
18 outside, which clearly "are you a control person" and
19 whatnot that you just asked fall outside of that
20 ability, then we're going to need to stop this and take
21 this before the judge.

22 MR. HAYNES: Each of those entities are
23 Receivership entities. You're saying that the Receiver
24 of a Receivership entity is not able to ask questions
25 about whether Sameer Sethi was a control person of

1 those entities?

2 MR. REED: Yes.

3 MR. HAYNES: That's your position?

4 MR. REED: Well, if you're going to ask
5 if he -- if information about accounts, deposits,
6 testimony about the accounts, properties, liabilities,
7 then I'm -- we're all ears.

8 MR. RODRIGUEZ: Additionally, Michael,
9 you just said that this -- the testimony you're trying
10 to get here today relates to the Motions to Unfreeze
11 Assets. And I just made an objection saying that the
12 questions you're asking here today, I'm objecting to
13 the basis or the fact that they don't relate to the
14 Motions to Unfreeze Assets. And just let me make sure
15 that I'm clear. Your response was that this deposition
16 is not about those Motions to Unfreeze Assets.

17 MR. HAYNES: No. My response is, this
18 deposition is not solely about those.

19 MR. RODRIGUEZ: So it -- so you do
20 intend to take this deposition also for the purposes or
21 as it relates to the Motions to Unfreeze Assets?

22 MR. HAYNES: Correct.

23 MR. RODRIGUEZ: Okay.

24 MR. HAYNES: I disagree. I think it's
25 all covered under the Receivership order and the

1 Receiver's power to investigate what happened. If you
2 want to say that we can't go forward, we can take that
3 to the judge. Otherwise, I'm going to ask my
4 questions. And if he wants to take the Fifth Amendment
5 right --

6 MR. REED: I'm going to instruct him not
7 to answer those questions that are outside of the
8 Receivership order.

9 MR. HAYNES: Understood. But we'll go
10 through each specific one, and I want you to note your
11 objection and instruct on each specific question.

12 MR. REED: Okay.

13 MR. HAYNES: Where were we?

14 Q. (BY MR. HAYNES) You made decisions,
15 Mr. Sethi, on how funds invested by investors into a
16 joint venture was spent, correct?

17 A. Per the advice of my counsel, I'm exercising
18 my Fifth Amendment right.

19 Q. You were a signatory on every bank account
20 owned by Sethi Petroleum, Sethi Financial Group and
21 each of the joint venture, correct?

22 A. Per the advice of my counsel, I am exercising
23 my Fifth Amendment right.

24 Q. Sethi Petroleum and Sethi Financial Group,
25 Inc. are two entities that are treated functionally as

1 one entity, correct?

2 A. Per the advice of my counsel, I'm exercising
3 my Fifth Amendment right.

4 Q. Praveen Sethi is your father, correct?

5 A. Per the advice of my counsel, I'm exercising
6 my Fifth Amendment right.

7 Q. Praveen Sethi is the former CEO of Sethi
8 Financial Group, Inc., correct?

9 A. Per the advice of my counsel, I'm exercising
10 my Fifth Amendment right.

11 Q. Praveen Sethi drew a salary from Sethi
12 Financial Group, Inc., correct?

13 A. Per the advice of my counsel, I'm exercising
14 my Fifth Amendment right.

15 (Exhibit No. 4 was marked.)

16 Q. (BY MR. HAYNES) I'm handing you Exhibit 4.
17 I've handed you a tax return that is a federal tax
18 return for Praveen Sethi personally for tax year 2012.
19 On Page 10, Schedule C --

20 MR. RODRIGUEZ: Is there a page --
21 what's your page reference?

22 MR. HAYNES: Schedule C, Profit or Loss
23 from Business.

24 Q. (BY MR. HAYNES) -- this states that Praveen
25 Sethi received income from Sethi Financial Group, Inc.

1 in tax year 2012, correct?

2 MR. RODRIGUEZ: Hold on, Michael, just
3 to make sure. My Schedule C has Shahnaz Sethi's name
4 up here.

5 MR. HAYNES: Count 10. It should be
6 highlighted.

7 MR. RODRIGUEZ: Got it.

8 Q. (BY MR. HAYNES) I'll re-ask -- restate the
9 question. This Schedule C, Profit or Loss from
10 Business, shows that Praveen Sethi received income from
11 Sethi Financial Group, Inc. in 2012, correct?

12 A. Per the advice of my counsel, I'm exercising
13 my Fifth Amendment right.

14 MR. RODRIGUEZ: Object to foundation.

15 Q. (BY MR. HAYNES) On the next page, Part 4,
16 this states that Praveen Sethi drove 43,400 miles on
17 business for Sethi Financial Group, Inc., correct?

18 MR. RODRIGUEZ: Object to foundation.

19 MR. REED: Objection, calls for
20 speculation.

21 Q. (BY MR. HAYNES) Did you instruct Praveen
22 Sethi to drive 43,400 miles on business?

23 MR. RODRIGUEZ: Objection; outside the
24 scope of the discovery related -- as it relates to
25 Praveen Sethi and Shahnaz Sethi's Motion to Unfreeze

1 Assets.

2 MR. REED: And I'll object to that. The
3 question is outside the Receiver's authority under
4 the -- the order dated May 14th, 2015.

5 Q. (BY MR. HAYNES) On the first page of the
6 exhibit, it also shows that for tax year 2012, Praveen
7 Sethi's total adjusted gross income for the year was
8 \$48,078?

9 MR. RODRIGUEZ: Object --

10 Q. (BY MR. HAYNES) -- correct?

11 MR. RODRIGUEZ: Objection, lacks
12 foundation.

13 MR. HAYNES: Please let me finish my
14 question before you assert your objection.

15 MR. RODRIGUEZ: Sorry about that,
16 Michael.

17 Q. (BY MR. HAYNES) Praveen Sethi is an officer
18 or director of Sethi Petroleum, LLC, correct?

19 A. Per the advice of my counsel, I'm exercising
20 my Fifth Amendment right.

21 Q. Praveen Sethi is an officer or director of
22 Sethi Financial Group, Inc., correct?

23 MR. RODRIGUEZ: Objection to outside the
24 scope of the discovery as it relates to Praveen and
25 Shahnaz Sethi's Motion to Unfreeze Assets.

1 Q. (BY MR. HAYNES) Praveen Sethi has authority
2 to make decisions for Sethi Petroleum, LLC, correct?

3 MR. RODRIGUEZ: Same objection, outside
4 the scope of the discovery -- limited discovery as it
5 relates to Praveen and Shahnaz Sethi's Motion to
6 Unfreeze Assets.

7 MR. REED: And I'll object that the
8 question's outside the Receiver's authority under the
9 Court's May 14th, 2015 order.

10 Q. (BY MR. HAYNES) Praveen Sethi has authority
11 to make decisions for Sethi Financial Group, Inc.,
12 correct?

13 MR. RODRIGUEZ: Same objection I just
14 lodged.

15 MR. REED: Object that the question's
16 outside the Court's authority under the May 14th, 2015
17 order -- I mean, the Receiver's authority. Sorry.

18 MR. RODRIGUEZ: Hey, Michael, are you
19 okay if I say "Objection; outside the scope of
20 discovery", that we have an understanding that means
21 outside the scope of the Court's order as it relates to
22 Praveen and Shahnaz Sethi's Motion to Unfreeze Assets?

23 MR. HAYNES: Yes.

24 MR. RODRIGUEZ: Okay. Thank you.

25 MR. HAYNES: You objected, but he didn't

1 answer.

2 MR. REED: I'm sorry?

3 MR. HAYNES: You objected but he didn't

4 answer.

5 MR. REED: To which question? I'm

6 sorry.

7 MR. HAYNES: That Praveen Sethi has
8 authority to make decisions for Sethi Financial Group,
9 Inc.

10 MR. RODRIGUEZ: Objection; outside the
11 scope of discovery.

12 A. Per the advice of my counsel, I am exercising
13 my Fifth Amendment right.

14 MR. HAYNES: I don't know that I got an
15 ans- -- I know I got the two objections, but you can
16 relodge them when I reask this question.

17 Q. (BY MR. HAYNES) Praveen Sethi has authority
18 to make decisions for Sethi Petroleum, LLC?

19 MR. RODRIGUEZ: Objection; outside the
20 scope of discovery.

21 MR. REED: I object that it's outside
22 the Receiver's grant of authority under the May 14th,
23 2015 Court's order.

24 A. Per the advice of my counsel, I'm exercising
25 my Fifth Amendment right.

Sameer P. Sethi

1 Q. (BY MR. HAYNES) Praveen Sethi has made
2 decisions on behalf of Sethi Petroleum, such as how to
3 spend money, correct?

4 A. Per the advice of my counsel, I'm exercising
5 my Fifth Amendment right.

6 MR. RODRIGUEZ: Objection; lacks
7 foundation; and objection; outside the scope of
8 discovery.

9 MR. HAYNES: Yeah, on foundation, I
10 don't know that you get to object on foundation.
11 You're not defending the deposition. You get to object
12 on scope.

13 MR. RODRIGUEZ: Well, I can object to
14 foundation. Yeah, I think I can.

15 MR. HAYNES: Okay.

16 MR. RODRIGUEZ: I don't think he has the
17 requisite foundation to answer the question, or you
18 haven't established it through the deposition
19 testimony, and so I'm making my objection.

20 MR. HAYNES: Okay.

21 Q. (BY MR. HAYNES) Praveen Sethi has made
22 decisions on behalf of Sethi Petroleum such as whether
23 and how to settle litigation against Sethi Petroleum,
24 correct?

25 MR. RODRIGUEZ: Objection; outside the

Sameer P. Sethi

1 scope of discovery.

2 A. Per the advice of my counsel, I am exercising
3 my Fifth Amendment right.

4 Q. Praveen Sethi was paid a regular salary by
5 Sethi Petroleum, correct?

6 A. Per the advice of my counsel, I'm exercising
7 my Fifth Amendment right.

8 Q. You were paid a regular salary by Sethi
9 Petroleum, correct?

10 A. Per the advice of my counsel, I'm exercising
11 my Fifth Amendment right.

12 Q. You had authority to withdraw funds from bank
13 accounts owned by Sethi Petroleum, LLC, correct?

14 A. Per the advice of my counsel, I'm exercising
15 my Fifth Amendment right.

16 Q. Praveen Sethi had authority to withdraw funds
17 from bank accounts owned by Sethi Petroleum, LLC,
18 correct?

19 A. Per the advice of my counsel, I'm exercising
20 my Fifth Amendment right.

21 (Exhibit No. 5 was marked.)

22 Q. (BY MR. HAYNES) I'm handing you Exhibit 5.
23 Exhibit 5 is a copy of a signature card for a bank
24 account at Bank of America owned by Sethi Petroleum,
25 LLC that was produced to the Receiver in response to a

1 subpoena served on Bank of America, LLC. The first
2 page of this signature card indicates that Praveen
3 Sethi is a coowner of the bank account owned by Sethi
4 Petroleum, LLC, correct?

5 A. Per the advice of my counsel, I'm exercising
6 my Fifth Amendment right.

7 Q. Praveen Sethi also had authority to withdraw
8 money from bank accounts owned by joint ventures,
9 correct?

10 A. Per the advice of my counsel, I will be
11 exercising my Fifth Amendment right.

12 Q. You often withdrew sums of cash in excess of
13 \$10,000 from bank accounts owned by Sethi Petroleum and
14 Sethi Financial Group, Inc., correct?

15 MR. REED: Per the advice of my counsel,
16 I'm exercising my Fifth Amendment right.

17 Q. (BY MR. HAYNES) Often, that cash was then
18 deposited into your personal checking account, correct?

19 A. Per the advice of my counsel, I'm exercising
20 my Fifth Amendment right.

21 (Exhibit Nos. 6 and 7 were marked.)

22 MR. RODRIGUEZ: Which is going to be 6?

23 MR. HAYNES: 6 is going to be the one on
24 top that --

25 MR. RODRIGUEZ: Yeah. Can you just

1 identify it for the record somehow?

2 MR. HAYNES: This is a copy of a
3 checking account withdrawal slip from Bank of America
4 that was produced to the Receiver in response to a
5 subpoena served on Bank of America.

6 Exhibit 7 is a bank statement from
7 American National Bank of Texas that was produced to
8 the Receiver in response to a subpoena served by the
9 receiver on American National Bank.

10 Q. (BY MR. HAYNES) Mr. Sethi, on Exhibit 6,
11 this indicates that on October 8th, 2014, you withdrew
12 \$25,000 of cash from account ending 7259, correct --
13 I'm sorry -- no, 5759, correct?

14 A. Per the advice of my counsel, I'm exercising
15 my Fifth Amendment right.

16 Q. Exhibit 7 reflects that on the next day,
17 October 9th of 2014, you deposited \$25,000 of cash into
18 your personal checking account at American National
19 Bank, correct?

20 A. Per the advice of my counsel, I will be
21 exercising my Fifth Amendment right.

22 Q. Praveen Sethi regularly withdrew sums of cash
23 in excess of \$10,000 from bank accounts owned by Sethi
24 Petroleum, correct?

25 MR. REED: Objection; calls for

1 speculation.

2 MR. RODRIGUEZ: Objection; lacks
3 foundation; calls for speculation.

4 A. Per the advice of my counsel, I'm exercising
5 my Fifth Amendment right.

6 Q. (BY MR. HAYNES) You were aware that Sethi --
7 Praveen Sethi regularly withdrew sums of cash in excess
8 of \$10,000 from bank accounts owned by Sethi Petroleum,
9 correct?

10 A. Per the advice of my counsel, I'm exercising
11 my Fifth Amendment right.

12 Q. Sometimes that cash withdrawn by Praveen
13 Sethi was used to make a payment on credit cards owned
14 by you, personally, correct?

15 MR. RODRIGUEZ: Objection; lacks
16 foundation; calls for speculation.

17 A. Per the advice of my counsel, I'm exercising
18 my Fifth Amendment right.

19 (Exhibit Nos. 8 and 9 were marked.)

20 Q. (BY MR. HAYNES) Exhibit 8 is a copy of a
21 withdrawal slip produced to the Receiver by Bank of
22 America in response to a subpoena served by the
23 Receiver on Bank of America. Exhibit 8 indicates that
24 on -- or evidences that on March 3rd, 2015, Praveen
25 Sethi withdrew \$45,000 from account ending 5759,

1 correct?

2 MR. RODRIGUEZ: Objection; lacks
3 foundation; calls for speculation. Also, Michael,
4 whose account is this?

5 MR. HAYNES: Sethi Petroleum, LLC.

6 MR. REED: Same objections.

7 A. Per the advice of my counsel, I am exercising
8 my Fifth Amendment right.

9 Q. (BY MR. HAYNES) Exhibit 9 is a copy of a
10 statement from Bank of America pulled off of Bank of
11 America's website using a login we found at corporate
12 headquarters. It indicates it is a credit card in the
13 name of Sethi Financial Group, Inc. and Sameer Sethi
14 individually. On Page 4 of that exhibit, it indicates
15 on March 3rd, 2015, the same day that \$45,000 was
16 withdrawn by Praveen Sethi, \$45,000 was paid on this
17 credit card at the Texas Banking Center.

18 MR. RODRIGUEZ: Objection, assumes facts
19 not evidence; calls for speculation.

20 MR. REED: Same objections.

21 A. Per the advice of my counsel, I am exercising
22 my Fifth Amendment right.

23 Q. (BY MR. HAYNES) The charges for this credit
24 card -- let me strike that.

25 Are you aware of this credit card?

Sameer P. Sethi

1 A. Per the advice of my counsel, I'm exercising
2 my Fifth Amendment right.

3 Q. This is a credit card that you regularly used
4 to charge personal expenses, correct?

5 A. Per the advice of my counsel, I'm exercising
6 my Fifth Amendment right.

7 Q. You had a card issued in your name associated
8 with this account, correct?

9 A. Per the advice of my counsel, I'm exercising
10 my Fifth Amendment right.

11 Q. Looking at this credit card statement, there
12 are charges here that are not business charges,
13 correct?

14 MR. RODRIGUEZ: Objection; lacks
15 foundation; calls for speculation.

16 A. Per the advice of my counsel, I'm exercising
17 my Fifth Amendment right.

18 Q. (BY MR. HAYNES) You made these charges on
19 this card, correct?

20 A. Per the advice of my counsel, I'm exercising
21 my Fifth Amendment right.

22 Q. Looking at Page 5, I've highlighted a
23 transaction for Nordstrom Rack, \$1,284.60. That was
24 not a business expense, was it?

25 MR. RODRIGUEZ: Objection; lacks

1 foundation; calls for speculation.

2 A. Per the advice of my counsel, I'm exercising
3 my Fifth Amendment right.

4 Q. (BY MR. HAYNES) On Page 6, I've highlighted
5 another transaction to Condom Sense of Dallas for
6 \$68.09. That was not a business transaction, correct?

7 MR. RODRIGUEZ: Objection -- objection;
8 lacks foundation; calls for speculation. Also, it's
9 harassing, I think, Michael.

10 MR. REED: Same objections.

11 MR. RODRIGUEZ: There's a lot of other
12 transactions you could have highlighted here.

13 A. Per the advice of my counsel, I'm exercising
14 my Fifth Amendment right.

15 Q. (BY MR. HAYNES) Other times that Praveen
16 Sethi withdrew cash, he deposited that cash into your
17 personal checking account, correct?

18 MR. RODRIGUEZ: Objection; assumes facts
19 not in evidence; lacks foundation; calls for
20 speculation.

21 MR. REED: Same objections.

22 A. Per the advice of my counsel, I am exercising
23 my Fifth Amendment right.

24 (Exhibit Nos. 10-12 were marked.)

25 Q. (BY MR. HAYNES) I'm handing you Exhibits 10

1 and 11. The top one is 10, the next one is 11, the
2 next one is 12. So, for the record, Exhibit 10 is a
3 copy of a withdrawal slip produced to the Receiver by
4 Bank of America in response to a subpoena issued by the
5 Receiver to Bank of America.

6 This is a copy of the withdrawal slip
7 for account number 5759 owned by Sethi Petroleum, LLC.
8 Exhibit 11 is a statement of a bank account checking
9 account owned by Sameer Sethi that was produced to the
10 Receiver by American National Bank in response to a
11 subpoena issued on American National Bank by the
12 Receiver.

13 Exhibit 12 is a copy of an American
14 Express credit card statement in the name of Sameer P.
15 Sethi that was produced to the Receiver in response to
16 a subpoena issued by the Receiver to American Express.

17 Re-ask the question. Some of the times
18 that Praveen Sethi withdrew cash from Sethi Petroleum,
19 LLC's checking account, he deposited that money into
20 your personal checking account, correct?

21 MR. RODRIGUEZ: Objection; assumes facts
22 not evidence; lacks foundation; calls for speculation.

23 MR. REED: Same -- same objections. And
24 I believe this question's been asked before.

25 MR. HAYNES: It has.

1 MR. REED: So you're asking the same
2 question again?

3 MR. HAYNES: I'm laying foundation.

4 MR. REED: To get the same answer again?

5 MR. HAYNES: Correct.

6 MR. REED: Object to harassment and
7 asking the same question over and over again.

8 A. Per the advice of my counsel, I'm exercising
9 my Fifth Amendment right.

10 Q. (BY MR. HAYNES) Mr. Sethi, Exhibit 10
11 indicates that on January 21st, 2015, Praveen Sethi
12 withdrew 27,000 from Sethi Petroleum's LLC's bank
13 account, correct?

14 MR. RODRIGUEZ: Objection; calls for
15 speculation; lacks foundation.

16 MR. REED: Same objections.

17 A. Per the advice of my counsel, I'm exercising
18 my Fifth Amendment right.

19 Q. (BY MR. HAYNES) Looking at Exhibit 11, it
20 shows that on two days later, on January 23rd, a cash
21 deposit in the same amount, \$27,000, was deposited into
22 your personal checking account, correct?

23 MR. REED: Objection; calls for
24 speculation.

25 A. Per the advice of my counsel, I'm exercising

1 my Fifth Amendment right.

2 Q. (BY MR. HAYNES) This statement indicates
3 that a large part of the balance of that account was
4 used to pay an American Express credit card in the
5 amount of \$15,592.12, correct?

6 MR. RODRIGUEZ: Objection; vague. And
7 objection; calls for speculation.

8 MR. REED: Same objections.

9 A. Per the advice of my counsel, I'm exercising
10 my Fifth Amendment right.

11 Q. (BY MR. HAYNES) So if we look at Exhibit 12
12 on Page 3, I've highlighted, it shows a payment coming
13 from -- or I'm sorry. Strike that. Let me start
14 over.

15 On Page 3 of Exhibit 12, it reflects a
16 payment on your credit card in the exact same amount,
17 which is \$15,522.12, correct?

18 MR. RODRIGUEZ: Objection; assumes facts
19 not in evidence; calls for speculation.

20 MR. REED: Same objections.

21 A. Per the advice of my counsel, I'm exercising
22 my Fifth Amendment right.

23 Q. (BY MR. HAYNES) Looking at the charges that
24 were made on that card, I've highlighted various
25 transaction such as Molly Maid of DFW on Page 3,

1 Cavender Boot on Page 4, Sheplers on Page 4, Sheplers
2 on Page 4, CVS Pharmacy on Page 4, Cavender's on Page
3 4. Those are not business expenses, correct?

4 A. Per the advice of my counsel, I'm exercising
5 my Fifth Amendment right.

6 MR. RODRIGUEZ: Objection; lacks
7 foundation.

8 MR. HAYNES: Can we take a break?

9 MR. REED: Yeah, sure.

10 (Break was taken from 10:53 a.m.
11 to 11:03 a.m.)

12 MR. HAYNES: In the interest of time and
13 speeding this along, Mr. Rodriguez, I was informed by
14 my esteemed colleague that local rule CV-30 in the
15 Eastern District of Texas limits objections during an
16 oral deposition to "objection, leading"; "objection,
17 form" and no other objections.

18 MR. RODRIGUEZ: Awesome.

19 MR. HAYNES: So this'll go a lot
20 smoother and faster --

21 MR. RODRIGUEZ: Yeah, absolutely.

22 MR. HAYNES: -- if you'll limit your
23 objections to that, please.

24 MR. RODRIGUEZ: Great.

25 MR. HAYNES: Okay.

1 MR. RODRIGUEZ: As long as -- as long --
2 are we on the record? As long as we can agree that
3 when I object to form, that includes my objection that
4 some of the questions you're asking are outside the
5 scope of the discovery as it relates to the Motions to
6 Unfreeze Assets. If not, I'm going to continue to make
7 that objection.

8 MR. HAYNES: I don't know if that's a
9 valid objection.

10 MR. RODRIGUEZ: Well, it doesn't matter
11 if you know it or not. I'm just saying, do you agree
12 that my objection to form covers that or not? And if
13 not, then I have to make the objection.

14 MR. HAYNES: I will stipulate that you
15 saying it includes you also making that objection.

16 MR. RODRIGUEZ: Yeah, that's all I'm
17 saying.

18 MR. HAYNES: I'm not stipulating that
19 it's a valid objection.

20 MR. RODRIGUEZ: Yeah. We can have that
21 agreement. So when I object to form, it includes my
22 objection that the question that you're asking is
23 outside the scope of discovery as it relates to the
24 Court's order related to Praveen Sethi and Shahnaz
25 Sethi's Motion to Unfreeze Assets.

1 MR. HAYNES: Okay.

2 MR. RODRIGUEZ: Agreed? You agree on
3 that?

4 MR. HAYNES: Agreed.

5 Q. (BY MR. HAYNES) Okay. I'm handing you
6 exhibit --

7 MR. RODRIGUEZ: And just for the record,
8 I was -- I was unaware of that local rule, so my
9 apologies, Michael, to you. I was not aware of that
10 rule.

11 MR. BAKER: Kendal, you're not getting
12 away. You made the objections, too. I'm just
13 kidding. It's my last day.

14 (Exhibit Nos. 13-15 were marked.)

15 Q. (BY MR. HAYNES) I'm handing you Exhibits 13,
16 14 and 15. Exhibit 13 is a copy of a withdrawal slip
17 from a bank account owned by Sethi Petroleum, LLC at
18 Bank of America that was produced to the Receiver by
19 Bank of America in response to a subpoena served by the
20 Receiver on Bank of America.

21 Exhibit 14 is a checking account
22 statement in the name of Sameer P. Sethi produced to
23 the Receiver by American National Bank in response to a
24 subpoena issued by the Receiver to American National
25 Bank.

1 Exhibit 15 is a checking account in the
2 name of Praveen Sethi produced to the Receiver by
3 American National Bank in response to a subpoena issued
4 by the Receiver to American National Bank.

5 Mr. Sethi, occasionally or -- strike
6 that.

7 Mr. Sethi, many times, Praveen Sethi
8 withdrew cash from Sethi Petroleum, LLC's bank accounts
9 and deposited it into accounts owned by each of you and
10 Praveen Sethi, correct?

11 MR. RODRIGUEZ: Objection, form.

12 MR. REED: Objection, form.

13 A. Per the advice of my counsel, I'm exercising
14 my Fifth Amendment right.

15 Q. (BY MR. HAYNES) Looking at Exhibit 13, this
16 evidences that on December 10th, 2014, Praveen Sethi
17 withdrew \$20,000 from Sethi Petroleum, LLC bank account
18 5759, correct?

19 MR. RODRIGUEZ: Objection, form.

20 MR. REED: Objection, form.

21 A. Per the advice of my counsel, I'm exercising
22 my Fifth Amendment right.

23 Q. (BY MR. HAYNES) Looking at Exhibit 14 and 15
24 simultaneously, this indicates Exhibit 14, on the next
25 day, December 11th, \$10,000 was deposited into the bank

1 account of Sameer P. Sethi, correct?

2 MR. RODRIGUEZ: Objection, form.

3 MR. REED: Objection, form.

4 A. Per the advice of my counsel, I'm exercising
5 my Fifth Amendment right.

6 Q. (BY MR. HAYNES) And on Exhibit 15, that same
7 day, December 11th, \$10,000 was deposited into the
8 personal account of Praveen Sethi, correct?

9 MR. RODRIGUEZ: Objection, form.

10 MR. REED: Objection, form.

11 A. Per the advice of my counsel, I'm exercising
12 my Fifth Amendment right.

13 Q. (BY MR. HAYNES) Praveen Sethi regularly
14 moved money from bank accounts owned by Sethi Petroleum
15 and Sethi Financial Group, Inc. to bank accounts owned
16 by Praveen Sethi, individually, correct?

17 MR. RODRIGUEZ: Objection, form.

18 MR. REED: Objection, form.

19 A. Per the advice of my counsel, I'm exercising
20 my Fifth Amendment right.

21 Q. (BY MR. HAYNES) You're aware of how Praveen
22 Sethi spent the money that was moved to his personal
23 accounts, correct?

24 MR. RODRIGUEZ: Objection, form.

25 MR. REED: Objection, form.

1 A. Per the advice of my counsel, I'm exercising
2 my Fifth Amendment right.

3 Q. (BY MR. HAYNES) The money that Praveen Sethi
4 moved to his personal checking account was used to
5 acquire personal property and real estate, correct?

6 MR. RODRIGUEZ: Objection, form.

7 MR. REED: Objection, form.

8 A. Per the advice of my counsel, I'm exercising
9 my Fifth Amendment right.

10 Q. (BY MR. HAYNES) Praveen Sethi has withdrawn
11 funds from bank accounts owned by Sethi Petroleum, LLC
12 and Sethi Financial Group, Inc. to pay personal credit
13 cards owned by Praveen Sethi and Shahnaz Sethi,
14 correct?

15 MR. RODRIGUEZ: Objection, form.

16 MR. REED: Objection, form.

17 A. Per the advice of my counsel, I'm exercising
18 my Fifth Amendment right.

19 Q. (BY MR. HAYNES) Money is -- was frequently
20 moved from bank accounts owned by joint ventures to
21 bank accounts owned by Sethi Petroleum or Sethi
22 Financial Group, Inc., correct?

23 MR. RODRIGUEZ: Objection, form.

24 MR. REED: Objection, form.

25 A. Per the advice of my counsel, I'm exercising

1 my Fifth Amendment right.

2 (Exhibit No. 16 was marked.)

3 Q. (BY MR. HAYNES) I'm handing you Exhibit 16.

4 This is an Interoffice Memorandum found at corporate

5 headquarter's records from Michael Davis to Sameer

6 Sethi dated February -- sorry -- February 23rd, 2015.

7 You're familiar with Michael Davis, correct?

8 A. Per the advice of my counsel, I'm exercising

9 my Fifth Amendment right.

10 Q. (BY MR. HAYNES) On February 23rd, 2015,

11 Michael Davis was the CFO of Sethi Petroleum and Sethi

12 Financial Group, Inc., correct?

13 A. Per the advice of my counsel, I'm exercising

14 my Fifth Amendment right.

15 MR. RODRIGUEZ: Objection, form.

16 Q. (BY MR. HAYNES) This memorandum that is

17 Exhibit 16 was a Weekly Status Update from Michael

18 Davis to you informing you of the status of various

19 items related to Sethi Petroleum, LLC and Sethi

20 Financial, Group, Inc. correct?

21 MR. REED: Objection, form.

22 MR. RODRIGUEZ: Objection, form.

23 A. Per the advice of my counsel, I'm exercising

24 my Fifth Amendment right.

25 Q. (BY MR. HAYNES) Looking at Page 3 of

1 Exhibit 16, I've highlighted a statement in here that
2 says "Cash situation. I have moved money from RW and
3 S12 to cover payroll." Do you see that statement?

4 A. Per the advice of my counsel, I'm exercising
5 my Fifth Amendment right.

6 Q. RW stands for Ragle White and S12 stands for
7 Sam 1 & 2, the joint ventures, correct?

8 MR. REED: Objection, form.

9 MR. RODRIGUEZ: Objection, form.

10 A. Per the advice of my counsel, I'm exercising
11 my Fifth Amendment right.

12 Q. (BY MR. HAYNES) Money is frequently moved
13 from a bank account owned by one joint venture to a
14 bank account owned by another joint venture, correct?

15 MR. REED: Objection, form.

16 MR. RODRIGUEZ: Objection, form.

17 A. Per the advice of my counsel, I'm exercising
18 my Fifth Amendment right.

19 Q. (BY MR. HAYNES) Sethi Petroleum and Sethi
20 Financial Group, Inc. did not maintain any records of
21 intercompany transfers between bank accounts owned by
22 any of Sethi Petroleum, Sethi Financial Group, Inc. or
23 any joint venture, correct?

24 MR. REED: Objection, form.

25 MR. RODRIGUEZ: Objection, form.

Sameer P. Sethi

1 A. Per the advice of my counsel, I'm exercising
2 my Fifth Amendment right.

3 Q. (BY MR. HAYNES) The personal home of Praveen
4 Sethi is or was used as corporate headquarters for
5 Sethi Petroleum, LLC, correct?

6 MR. REED: Objection, form.

7 MR. RODRIGUEZ: Objection, form.

8 A. Per the advice of my counsel, I'm exercising
9 my Fifth Amendment right.

10 Q. (BY MR. HAYNES) The personal home of Praveen
11 Sethi is or was used as corporate headquarters for
12 Sethi Financial Group, Inc., correct?

13 MR. RODRIGUEZ: Objection, form.

14 MR. REED: Objection, form.

15 A. Per the advice of my counsel, I'm exercising
16 my Fifth Amendment right.

17 Q. (BY MR. HAYNES) The personal home of
18 Sethi -- I'm sorry -- of Praveen Sethi is or was used
19 as corporate headquarters for many of the joint
20 ventures, correct?

21 MR. RODRIGUEZ: Objection, form.

22 MR. REED: Objection, form.

23 A. Per the advice of my counsel, I'm exercising
24 my Fifth Amendment right.

25 Q. (BY MR. HAYNES) Approximately \$13 million of

1 investor money has been raised by Sethi Petroleum or
2 Sethi Financial Group, Inc., correct?

3 MR. REED: Objection, form.

4 MR. RODRIGUEZ: Objection, form.

5 A. Per the advice of my counsel, I'm exercising
6 my Fifth Amendment right.

7 Q. (BY MR. HAYNES) Less than \$3 million of that
8 investor money was actually spent on the acquisition of
9 mineral interests, correct?

10 MR. RODRIGUEZ: Objection, form.

11 MR. REED: Objection, form.

12 A. Per the advice of my counsel, I'm exercising
13 my Fifth Amendment right.

14 Q. (BY MR. HAYNES) Less than one million
15 dollars of investor money has actually been returned to
16 investors, correct?

17 MR. REED: Objection, form.

18 MR. RODRIGUEZ: Objection, form.

19 A. Per the advice of my counsel, I'm exercising
20 my Fifth Amendment right.

21 Q. (BY MR. HAYNES) Less than one million
22 dollars of revenue has been received by Sethi Petroleum
23 or Sethi Financial Group, Inc. attributable to mineral
24 interests that have been acquired, correct?

25 MR. REED: Objection, form.

1 MR. RODRIGUEZ: Objection, form.

2 A. Per the advice of my counsel, I'm exercising
3 my Fifth Amendment right.

4 Q. (BY MR. HAYNES) Approximately \$2 million of
5 investor money was used to pay personal credit cards of
6 Praveen Sethi, Shahnaz Sethi and Sameer P. Sethi,
7 correct?

8 MR. REED: Objection, form.

9 MR. RODRIGUEZ: Objection, form.

10 A. Per the advice of my counsel, I'm exercising
11 my Fifth Amendment right.

12 (Exhibit No. 17 was marked.)

13 Q. (BY MR. HAYNES) I'm handing you Exhibit 17.
14 This is an Internal Memorandum from Michael Davis to
15 you dated September 8th, 2014, correct?

16 MR. RODRIGUEZ: Objection, form.

17 MR. REED: Objection, form.

18 A. Per the advice of my counsel, I'm exercising
19 my Fifth Amendment right.

20 Q. (BY MR. HAYNES) On Page 1, there is a
21 statement from Michael Davis to you, asking, quote,
22 "Was the 37,000 that was pulled from BoA NDDF for the
23 AMEX bill? If so, not to sound like Ahmad, we have to
24 stop moving money like that, it will get us into
25 trouble eventually," end quote. Correct?

1 MR. RODRIGUEZ: Objection, form.

2 MR. REED: Objection, form.

3 A. Per the advice of my counsel, I'm exercising
4 my Fifth Amendment right.

5 Q. (BY MR. HAYNES) In that statement, BoA
6 stands for Bank of America, correct?

7 MR. REED: Objection, form.

8 MR. RODRIGUEZ: Objection, form.

9 A. Per the advice of my counsel, I'm exercising
10 my Fifth Amendment right.

11 Q. (BY MR. HAYNES) And you understand NDDF in
12 that statement stands for North Dakota Drilling Fund,
13 correct?

14 MR. REED: Objection, form.

15 MR. RODRIGUEZ: Objection, form.

16 A. Per the advice of my counsel, I'm exercising
17 my Fifth Amendment right.

18 Q. (BY MR. HAYNES) Approximately \$4 million of
19 investor money has been spent on salaries of employees
20 of Sethi Petroleum or Sethi Financial Group, Inc.,
21 correct?

22 MR. RODRIGUEZ: Objection, form.

23 MR. REED: Objection, form.

24 A. Per the advice of my counsel, I'm exercising
25 my Fifth Amendment right.

1 Q. (BY MR. HAYNES) Those salaries included
2 telephone marketers employed by Sethi Petroleum or
3 Sethi Financial Group, Inc. who are responsible for
4 soliciting investments from third-party investors,
5 correct?

6 MR. REED: Objection, form.

7 MR. RODRIGUEZ: Objection, form.

8 A. Per the advice of my counsel, I'm exercising
9 my Fifth Amendment right.

10 (Exhibit No. 18 was marked.)

11 Q. (BY MR. HAYNES) I'm handing you Exhibit 18.
12 The telemarketers employed by Sethi Petroleum or Sethi
13 Financial Group, Inc. were paid a commission of between
14 12 and 15 percent on all investor money raised,
15 correct?

16 MR. RODRIGUEZ: Objection, form.

17 MR. REED: Objection, form.

18 A. Per the advice of my counsel, I'm exercising
19 my Fifth Amendment right.

20 Q. (BY MR. HAYNES) This Exhibit 18 is a
21 commission structure for the Bakken Patriot 5-8 signed
22 by you, correct?

23 MR. RODRIGUEZ: Objection, form.

24 MR. REED: Objection, form.

25 A. Per the advice of my counsel, I'm exercising

1 my Fifth Amendment right.

2 Q. (BY MR. HAYNES) And this Exhibit 18 reflects
3 that the countersigned party would be compensated a
4 minimum of 12-percent commission for all dollars
5 raised, correct?

6 MR. RODRIGUEZ: Objection, form.

7 MR. REED: Objection, form.

8 A. Per the advice of my counsel, I'm exercising
9 my Fifth Amendment right.

10 Q. (BY MR. HAYNES) The minimum 12-percent
11 commission paid to telephone marketers was in addition
12 to their regular hourly wages, correct?

13 MR. RODRIGUEZ: Objection, form.

14 MR. REED: Objection, form.

15 A. Per the advice of my counsel, I'm exercising
16 my Fifth Amendment right.

17 Q. (BY MR. HAYNES) Less than 20 percent of
18 total investor money raised by Sethi Petroleum or Sethi
19 Financial, Group, Inc. was actually spent in the
20 acquisition of mineral interests, correct?

21 MR. RODRIGUEZ: Objection, form.

22 MR. REED: Objection, form. And object,
23 it's outside the scope of the Receivership's order
24 dated May 14, 2015.

25 A. Per the advice of my counsel, I'm exercising

1 my Fifth Amendment right.

2 Q. (BY MR. HAYNES) You provided a script to the
3 telemarketing employees to use during their sales
4 calls, correct?

5 MR. RODRIGUEZ: Objection, form.

6 MR. REED: I'm going to object. This is
7 outside the scope of the May 14, 2015 Receivership
8 powers granted by the Court. Instruct the client not
9 to answer.

10 MR. HAYNES: So you're instructing not
11 to answer?

12 MR. REED: Yes.

13 MR. HAYNES: Okay.

14 (Exhibit No. 19 was marked.)

15 Q. (BY MR. HAYNES) I'm handing you Exhibit 19.
16 This is a document -- I will represent to you, this is
17 a document we found in your office with what appears to
18 be telephone scripts. I have tabbed a page that is 13
19 pages in and highlighted. I've highlighted the part
20 that says quote, "Because of current market conditions,
21 our investors are seeing over 40 percent incredible
22 returns and are capitalizing on some tax benefits,"
23 correct?

24 MR. RODRIGUEZ: Objection, form.

25 MR. REED: Objection that this

1 questioning, this whole line of questioning is outside
2 of the Receivership's powers granted in the
3 May 14, 2015 order that only gives the Receiver power
4 to ask as to the accounts, properties, liabilities or
5 employees of the Receivership estate. Therefore, I'm
6 instructing the witness not to answer the question or
7 any questions in this line of questioning.

8 MR. HAYNES: Okay.

9 Q. (BY MR. HAYNES) The other two highlighted
10 parts on page -- that same page under C, and on the
11 next page, A, did you give those instructions to the
12 telemarketing employees of Sethi Petroleum, Inc. or
13 Sethi Financial Group, Inc.

14 MR. RODRIGUEZ: Object. Sorry. Sethi
15 Petroleum.

16 Q. (BY MR. HAYNES) Strike that. Sethi
17 Petroleum. I'm sorry. I got the wrong word. Let me
18 rephrase that question. On that page and the next
19 page, which would be Page, I believe, 13 and 14, C and
20 D -- or C and A that are highlighted, did you give the
21 telemarketing employees of Sethi Petroleum, LLC or
22 Sethi Financial Group, Inc. instructions to make these
23 representations to investors?

24 MR. RODRIGUEZ: Objection, form.

25 MR. REED: Objection, form. And I

1 object that this line of questioning is harassing and
2 outside the scope of the Receivership's powers granted
3 under the May 14, 2015 order and instruct the witness
4 not to answer.

5 Q. (BY MR. HAYNES) Not only were there written
6 instructions, but you also specifically instructed
7 sales personnel orally to represent to investors that
8 they would receive at least a 40 percent return on
9 their investment, correct?

10 MR. REED: Objection, form.

11 MR. REED: How many of these do we have,
12 Michael? Do we just need to, I mean, stop the
13 deposition here because this is getting harassing.
14 It's outside the scope of the Receivership order.
15 Unless you can show me how it fits within that, this is
16 just getting to the point of harassment.

17 MR. HAYNES: Any claims that Sethi
18 Petroleum, LLC may have against Sameer Sethi is an
19 asset of the Receivership estate. We are entitled to
20 investigate assets of the Receivership estate.

21 MR. REED: I think that's an overly
22 broad reading of this order, and it's a harassing line
23 of questioning. You're here to ask about the accounts,
24 properties, liabilities. And as it was represented to
25 me when you started this whole request for his

1 deposition was in line for the freeze -- the unfreeze
2 motions by Praveen and his wife. We've gone way
3 outside of that at this point.

4 MR. HAYNES: Let me see how many I've
5 got here left. These all relate to the operations.
6 I've got about five more questions on the assets and I
7 have -- well, I'll just ask my questions and if at some
8 point you decide you want to take it to the judge, we
9 can.

10 MR. REED: Well, if you've got questions
11 about assets but not about representations made or as
12 to instructions made here, then -- then we're not going
13 to do those. But if you've got questions about assets
14 that fall within the scope of this order, then we can
15 do those.

16 MR. HAYNES: I think they all do. I'm
17 going to ask my questions. If you want to shut it
18 down, you can.

19 MR. REED: Okay.

20 MR. HAYNES: And we'll decide where to
21 go from there.

22 MR. REED: Okay.

23 Q. (BY MR. HAYNES) No Sethi entity has acquired
24 any mineral interests since August of 2014, correct?

25 MR. RODRIGUEZ: Objection, form.

1 A. Per the advice of my counsel, I'm exercising
2 my Fifth Amendment right.

3 Q. (BY MR. HAYNES) Yet, approximately \$1.5
4 million has been raised from investors since that last
5 acquisition in August of 2014, correct?

6 MR. RODRIGUEZ: Objection, form.

7 MR. REED: Objection, form.

8 A. Per the advice of my counsel, I'm exercising
9 my Fifth Amendment right.

10 Q. (BY MR. HAYNES) At the time the Receiver was
11 appointed, Sethi Petroleum, Inc., Sethi Financial
12 Group, Inc. and all of the joint ventures combined had
13 less than \$100,000 in cash, correct?

14 MR. RODRIGUEZ: Objection, form.

15 MR. REED: Objection, form.

16 A. Per the advice of my counsel, I'm exercising
17 my Fifth Amendment right.

18 Q. (BY MR. HAYNES) That means 100 percent of
19 the investor money in excess of that \$100,000 was spent
20 on something other than the acquisition of mineral
21 interests, correct?

22 MR. RODRIGUEZ: Objection, form.

23 MR. REED: Objection, form.

24 A. Per the advice of my counsel, I'm exercising
25 my Fifth Amendment right.

Sameer P. Sethi

1 Q. (BY MR. HAYNES) In fact, other than that
2 approximately \$100,000, 100 percent of the investor
3 money received since the last acquisition of mineral
4 interests was spent on operating expenses and transfers
5 to insiders, correct?

6 MR. REED: Objection, form.

7 MR. RODRIGUEZ: Objection, form.

8 A. Per the advice of my counsel, I'm exercising
9 my Fifth Amendment right.

10 Q. (BY MR. HAYNES) Employees of Sethi Petroleum
11 or Sethi Financial Group, Inc. solicited money from the
12 investors with knowledge that those investors would not
13 be paid back, correct?

14 MR. REED: Objection, form.

15 MR. RODRIGUEZ: Objection, form.

16 A. Per the advice of my counsel, I'm exercising
17 my Fifth Amendment right.

18 Q. (BY MR. HAYNES) Employees of Sethi
19 Petroleum, LLC or Sethi Financial Group, Inc.,
20 solicited money from investors with actual intent to
21 defraud those investors out of their money, correct?

22 MR. REED: Objection, form.

23 MR. RODRIGUEZ: Objection, form.

24 A. Per the advice of my counsel, I'm exercising
25 my Fifth Amendment right.

1 (Exhibit No. 20 was marked.)

2 Q. (BY MR. HAYNES) I'm handing you Exhibit 20.

3 This is an Interoffice Memorandum from Michael Davis to
4 you, dated February 16, 2015. Direct your attention to
5 Page 2. Well, first, do you recall receiving this
6 memo?

7 A. Per the advice of my counsel, I'm exercising
8 my Fifth Amendment right.

9 Q. (BY MR. HAYNES) This memo is regarding,
10 quote, "Operational Review," close quote, correct?

11 MR. REED: Objection, form.

12 MR. RODRIGUEZ: Objection, form.

13 A. Per the advice of my counsel, I'm exercising
14 my Fifth Amendment right.

15 Q. (BY MR. HAYNES) Direct your attention to
16 Page 2, the highlighted portion that reads, quote,
17 "Diane is good for now" close quote. Do you
18 understand Diane to be the investor relations person
19 employed by Sethi Petroleum, LLC?

20 MR. RODRIGUEZ: Objection, form.

21 A. Per the advice of my counsel, I am exercising
22 my Fifth Amendment right.

23 Q. (BY MR. HAYNES) Continuing with that
24 statement, it says, quote "She, for the most part, will
25 say what we need said, but will not lie to the

1 investors. She feels very uncomfortable with not being
2 completely transparent, so I would agree that we would
3 limit what information Diane is made aware of."

4 Do you see that statement?

5 A. Per the advice of my counsel, I'm exercising
6 my Fifth Amendment right.

7 Q. (BY MR. HAYNES) Did you understand that
8 statement to mean that Sethi Petroleum, LLC was
9 intentionally withholding information from investors?

10 MR. RODRIGUEZ: Objection, form.

11 MR. REED: Objection, form.

12 A. Per the advice of my counsel, I'm exercising
13 my Fifth Amendment right.

14 Q. (BY MR. HAYNES) At the time money was
15 solicited from investors, prospective investors were
16 told that at least 75 percent of their investment would
17 be spent on the acquisition of mineral interests,
18 correct?

19 MR. RODRIGUEZ: Objection, form.

20 MR. REED: Objection, form. I also
21 object that this question's outside the scope of the
22 Recevership's granted authority in the May 14, 2015
23 order and instruct the witness not to answer.

24 (Exhibit No. 21 was marked.)

25 Q. (BY MR. HAYNES) I'm handing you Exhibit 21.

1 On Page 41 -- I'll show you my copy.

2 MR. REED: Which page?

3 MR. HAYNES: It's highlighted. About
4 halfway through the packet.

5 MR. RODRIGUEZ: Is there any other kind
6 of other identification at the bottom we can refer to?
7 Is there a Bates label?

8 MR. HAYNES: Bates label 014006.

9 Q. (BY MR. HAYNES) Mr. Sethi, I've handed you
10 the Offering Memorandum from Bakken Patriot 3 & 4 Joint
11 Venture. On Page 41 which is Bates labeled at the
12 bottom ending in 014006, under the heading "Use of
13 Proceeds", it states that "The venture will use the
14 initial joint venture capitalization proceeds for
15 initial operations, which include acquisition of an
16 interest in each of the prospect wells for the benefit
17 of the venture, payment of the venture's cost to drill
18 or reenter test, and if warranted, to complete each of
19 the prospect wells in one potentially productive zone.
20 Payment of all organizational costs relating to the
21 formation of the venture and payment of a one-time
22 management fee to the managing venturer," correct?

23 MR. RODRIGUEZ: Objection, form.

24 MR. REED: Objection, form. I also
25 object that it's outside the scope of the May 14, 2015

1 Receivership order.

2 Q. (BY MR. HAYNES) On the next page that ends
3 Bates label 014007, under the heading of Compensation
4 of Managing Venturer, it states, "We will receive a
5 one-time management fee in an amount equal to 20
6 percent of the aggregate amount contributed by the
7 venturers for the purchase of units less any applicable
8 placement agent fees," correct?

9 MR. RODRIGUEZ: Objection, form.

10 MR. REED: Objection, form.

11 A. Per the advice of my counsel, I am exercising
12 my Fifth Amendment right.

13 Q. (BY MR. HAYNES) That Offering Memorandum
14 indicates that investors were told as to that joint
15 venture only 20 percent of their investment would be
16 used on something other than the acquisition of mineral
17 interests, correct?

18 MR. RODRIGUEZ: Objection, form.

19 MR. REED: Objection, form. I also
20 object that it's outside the scope of the May 14, 2015
21 Receivership order. And I'll instruct the witness not
22 to answer.

23 Q. (BY MR. HAYNES) Money from investors that
24 went to Sethi Petroleum, Sethi Financial Group or any
25 of the joint ventures was transferred to Sambina

1 Properties, Sambina Brookview Center, Sambina Homes and
2 Sambina Trust, correct?

3 MR. RODRIGUEZ: Objection, form.

4 MR. REED: Objection, form.

5 A. Per the advice of my counsel, I am exercising
6 my Fifth Amendment right.

7 Q. (BY MR. HAYNES) Sambina Properties, Sambina
8 Brookview Center, Sambina Homes and Sambina Trust are
9 each entities that are owned and controlled by Praveen
10 Sethi, correct?

11 MR. RODRIGUEZ: Objection, form.

12 MR. REED: Objection, form.

13 A. Per the advice of my counsel, I am exercising
14 my Fifth Amendment right.

15 Q. (BY MR. HAYNES) Transfers from Sethi
16 Petroleum, LLC, Sethi Financial Group, Inc. or a joint
17 venture to those entities, those Sambina entities, were
18 not arm's length transactions, correct?

19 MR. RODRIGUEZ: Objection, form.

20 MR. REED: Objection, form.

21 A. Per the advice of my counsel, I am exercising
22 my Fifth Amendment right.

23 Q. (BY MR. HAYNES) The Sambina entities are
24 insiders of Sethi Petroleum, LLC, Sethi Financial,
25 Group, Inc. and the joint ventures, correct?

1 MR. RODRIGUEZ: Objection, form.

2 MR. REED: Objection, form.

3 A. Per the advice of my counsel, I am exercising
4 my Fifth Amendment right.

5 Q. (BY MR. HAYNES) The Sambina entities did not
6 provide value to Sethi Financial Group, Inc., Sethi
7 Petroleum, LLC or the joint ventures in exchange for
8 those transfers, correct?

9 MR. RODRIGUEZ: Objection, form.

10 MR. REED: Objection, form.

11 A. Per the advice of my counsel, I'm exercising
12 my Fifth Amendment right.

13 Q. (BY MR. HAYNES) The funds of Sethi
14 Petroleum, Sethi Financial Group, Inc., Sethi Oil & Gas
15 Company, Sethi Operating Company and each of the joint
16 ventures were all commingled, correct?

17 MR. REED: Objection, form.

18 MR. RODRIGUEZ: Objection, form.

19 A. Per the advice of my counsel, I'm exercising
20 my Fifth Amendment right.

21 Q. (BY MR. HAYNES) None of Sethi Petroleum,
22 Sethi Financial Group, Inc., Sethi Oil & Gas Company,
23 Sethi Operating Company or any of the joint ventures
24 were treated as separate companies, correct?

25 MR. RODRIGUEZ: Objection, form.

1 MR. REED: Objection, form.

2 A. Per the advice of my counsel, I'm exercising
3 my Fifth Amendment right.

4 Q. (BY MR. HAYNES) Sethi Petroleum, Sethi
5 Financial Group, Inc., Sethi Oil & Gas Company, Sethi
6 Operating Company and all of the joint ventures were
7 treated as one company or one enterprise, correct?

8 MR. REED: Objection, form.

9 MR. RODRIGUEZ: Objection, form.

10 A. Per the advice of my counsel, I'm exercising
11 my Fifth Amendment right.

12 Q. (BY MR. HAYNES) That consolidated enterprise
13 does not and has not ever earned enough revenue from
14 the acquisition of mineral interests to pay operating
15 expenses of the enterprise, correct?

16 MR. RODRIGUEZ: Objection, form.

17 MR. REED: Objection, form.

18 A. Per the advice of my counsel, I'm exercising
19 my Fifth Amendment right.

20 Q. (BY MR. HAYNES) That enterprise is and
21 always was insolvent, correct?

22 MR. RODRIGUEZ: Objection, form.

23 MR. REED: Objection, form.

24 A. Per the advice of my counsel, I'm exercising
25 my Fifth Amendment right.

1 Q. (BY MR. HAYNES) The sum of that enterprise's
2 debts has always been greater than the sum of all of
3 the enterprise's assets at a fair valuation, correct?

4 MR. REED: Objection, form.

5 MR. RODRIGUEZ: Objection, form.

6 A. Per the advice of my counsel, I'm exercising
7 my Fifth Amendment rights.

8 Q. (BY MR. HAYNES) That enterprise was not
9 paying its debts as they became due, correct?

10 MR. RODRIGUEZ: Objection, form.

11 MR. REED: Objection, form.

12 A. Per the advice of my counsel, I'm exercising
13 my Fifth Amendment rights.

14 Q. (BY MR. HAYNES) The enterprise has never
15 earned enough revenue from its owned mineral interests
16 to pay operating expenses of the enterprise, correct?

17 MR. RODRIGUEZ: Objection, form.

18 MR. REED: Objection, form.

19 A. Per the advice of my counsel, I'm exercising
20 my Fifth Amendment right.

21 Q. (BY MR. HAYNES) The only way to keep the
22 enterprise operational was by raising new money from
23 investors, correct?

24 MR. RODRIGUEZ: Objection, form.

25 MR. REED: Objection, form.

Sameer P. Sethi

1 A. Per the advice of my counsel, I'm exercising
2 my Fifth Amendment right.

3 MR. HAYNES: Last page.

4 Q. (BY MR. HAYNES) Purchases that were made on
5 the various personal credit cards of you or Praveen or
6 Shahnaz Sethi were not for Sethi Petroleum
7 business-related transactions, correct?

8 MR. RODRIGUEZ: Objection, form.

9 MR. REED: Objection, form.

10 A. Per the advice of my counsel, I'm exercising
11 my Fifth Amendment right.

12 Q. (BY MR. HAYNES) Are you familiar with an
13 entity named Cambrian Resources?

14 A. Per the advice of my counsel, I'm exercising
15 my Fifth Amendment right.

16 Q. Cambrian Resources is an entity that is
17 the -- in the same line of business as Sethi Petroleum
18 was in, correct?

19 MR. RODRIGUEZ: Objection, form.

20 MR. REED: Objection, form.

21 A. Per the advice of my counsel, I'm exercising
22 my Fifth Amendment right.

23 Q. (BY MR. HAYNES) You are affiliated with
24 Cambrian Resources, correct?

25 MR. RODRIGUEZ: Objection, form.

Sameer P. Sethi

1 MR. REED: Objection, form.

2 A. Per the advice of my counsel, I'm exercising
3 my Fifth Amendment right.

4 Q. (BY MR. HAYNES) You have received income
5 from Cambrian Resources, correct?

6 MR. REED: Objection, form.

7 MR. RODRIGUEZ: Objection, form.

8 A. Per the advice of my counsel, I'm exercising
9 my Fifth Amendment right.

10 MR. RODRIGUEZ: What's the spelling of
11 the...

12 MR. HAYNES: C-A-M-B-R-I-A-N.

13 Q. (BY MR. HAYNES) Cambrian Resources is
14 engaged in solicitation of investments for purposes of
15 investing in mineral interests, correct?

16 MR. RODRIGUEZ: Objection, form.

17 MR. REED: Objection, form.

18 A. Per the advice of my counsel, I'm exercising
19 my Fifth Amendment right.

20 Q. (BY MR. HAYNES) Cambrian Resources is owned
21 or controlled by persons that were affiliated with
22 Sethi Petroleum, correct?

23 MR. RODRIGUEZ: Objection, form.

24 MR. REED: Objection, form.

25 A. Per the advice of my counsel, I'm exercising

1 my Fifth Amendment right.

2 Q. (BY MR. HAYNES) Since May 2015, you have
3 solicited employees to work on behalf of Cambrian
4 Resources, correct?

5 MR. RODRIGUEZ: Objection, form.

6 MR. REED: Objection, form.

7 A. Per the advice of my counsel, I'm exercising
8 my Fifth Amendment right.

9 Q. (BY MR. HAYNES) Since May 2015, you have
10 solicited salespersons to work on behalf of Cambrian
11 Resources, correct?

12 MR. REED: Objection, form.

13 MR. RODRIGUEZ: Objection, form.

14 A. Per the -- per the advice of my counsel, I'm
15 exercising my Fifth Amendment right.

16 Q. (BY MR. HAYNES) Since May 2015, you have
17 participated in the issuance, purchase, offer or sell
18 of a security, correct?

19 MR. REED: Objection, form.

20 MR. RODRIGUEZ: Objection, form. I
21 object that this line of questioning's outside the
22 May 14, 2015 Receivership order. Instruct the client
23 not to answer.

24 Q. (BY MR. HAYNES) Since May 2015, you have
25 participated in the issuance, purchase, offer or sale

1 of an interest in a joint venture, correct?

2 MR. RODRIGUEZ: Objection, form.

3 MR. REED: Object, form. And object
4 that the question's outside the scope of the Receiver's
5 powers under the May 14, 2015 order appointing Receiver
6 and instruct the witness not to answer.

7 Q. (BY MR. HAYNES) Since May of 2014, have you
8 made any untrue statement of a material fact in order
9 to raise money?

10 MR. RODRIGUEZ: Objection, form.

11 MR. REED: Objection, form.

12 A. Per the advice of my counsel, I'm exercising
13 my Fifth Amendment right.

14 Q. (BY MR. HAYNES) Have you used Sethi
15 Petroleum or any related entities to obtain money or
16 credit by false pretenses, false representations or
17 material false statements?

18 MR. RODRIGUEZ: Objection, form.

19 A. Per the advice of my counsel, I'm exercising
20 my Fifth Amendment right.

21 Q. (BY MR. HAYNES) You have committed fraud
22 while acting in a fiduciary capacity, correct?

23 MR. RODRIGUEZ: Objection, form.

24 MR. REED: Objection, form. And I
25 object that that question falls outside the scope of

1 the Receivership's authority under the -- the
2 Receiver's authority under the May 14th, 2015
3 Receivership order and instruct the witness not to
4 answer.

5 Q. (BY MR. HAYNES) Have you ever committed
6 fraud while acting in a fiduciary capacity?

7 MR. REED: Objection, form.

8 MR. RODRIGUEZ: Objection, form.

9 A. Per the advice of my counsel, I'm exercising
10 my Fifth Amendment right.

11 Q. (BY MR. HAYNES) Have you ever used Sethi
12 Petroleum to embezzle funds?

13 MR. RODRIGUEZ: Objection, form.

14 MR. REED: Objection, form.

15 A. Per the advice of my counsel, I'm exercising
16 my Fifth Amendment right -- Fifth Amendment right.

17 Q. (BY MR. HAYNES) Do you believe your actions
18 to have caused willful injury to investors of Sethi
19 Petroleum?

20 MR. RODRIGUEZ: Objection, form.

21 MR. REED: Objection, form.

22 A. Per the advice of my counsel, I'm exercising
23 my Fifth Amendment right.

24 Q. (BY MR. HAYNES) Do you know John Webber?

25 MR. RODRIGUEZ: Objection, form.

Sameer P. Sethi

1 A. Per the advice of my counsel, I'm exercising
2 my Fifth Amendment right.

3 Q. (BY MR. HAYNES) Have you communicated with
4 John Webber about Sethi Petroleum since the appointment
5 of the Receiver?

6 MR. RODRIGUEZ: Objection, form.

7 MR. REED: Objection, form.

8 A. Per the advice of my counsel, I'm exercising
9 my Fifth Amendment right.

10 Q. (BY MR. HAYNES) Have you communicated with
11 John Webber about anything since the appointment of the
12 Receiver?

13 MR. RODRIGUEZ: Objection, form.

14 A. Per the advice of my counsel, I'm exercising
15 my Fifth Amendment right.

16 MR. HAYNES: Okay. Let's take a quick
17 break, see if there's any follow-up questions and we
18 should be done in about 10 minutes.

19 MR. REED: Okay.

20 (Break was taken from 11:44 a.m.

21 to 11:55 a.m.)

22 Q. (BY MR. HAYNES) Just a handful of follow-up
23 questions and we'll conclude.

24 Mr. Sethi, are you familiar with the
25 Motion to Unfreeze Funds in Bank Accounts that was

1 filed by Praveen and Shahnaz Sethi.

2 MR. REED: Objection, form.

3 A. Per the advice of my counsel, I'm exercising
4 my Fifth Amendment rights.

5 Q. (BY MR. HAYNES) The money in those accounts
6 is traceable to the Receivership estate, correct?

7 MR. RODRIGUEZ: Objection, form.

8 MR. REED: Objection, form.

9 A. Per the advice of my counsel, I'm exercising
10 my Fifth Amendment right.

11 Q. (BY MR. HAYNES) Since May of 2015, you have
12 told prospective employees of Cambrian Resources that
13 you've settled with the SEC, correct?

14 MR. REED: Objection form.

15 MR. RODRIGUEZ: Objection, form.

16 A. Per the advice of my counsel, I am taking my
17 Fifth Amendment right.

18 Q. (BY MR. HAYNES) You are doing today for
19 Cambrian Resources what you previously did for Sethi
20 Petroleum, correct?

21 MR. RODRIGUEZ: Objection, form.

22 MR. REED: Objection, form; and object
23 that that question's outside the scope of the
24 Receivership's powers in the May 14, 2015 Receivership
25 order and instruct the witness not to answer.

1 Q. (BY MR. HAYNES) You have told, since May
2 2015, prospective sellers of mineral interests that you
3 have millions of dollars to invest in mineral
4 interests, correct?

5 MR. RODRIGUEZ: Objection, form.

6 MR. REED: Objection, form.

7 A. Per my counsel's advice, I am exercising my
8 Fifth Amendment right.

9 Q. (BY MR. HAYNES) You are an officer or
10 principal of Cambrian Resources, correct?

11 MR. RODRIGUEZ: Objection, form.

12 MR. REED: Objection, form.

13 A. Per my counsel's advice, I'm taking my Fifth
14 Amendment right.

15 MR. HAYNES: Pass the witness.

16 MR. REED: We'll reserve.

17 MR. HAYNES: Okay. Thank you.

18 (Off the record at 12:03 p.m.)

19 MR. HAYNES: Okay. We are back on the
20 record. Just want to announce an agreement, see if I
21 can get an agreement between counsel for Mr. Sethi and
22 counsel for Praveen and Shahnaz Sethi.

23 Some of the exhibits that we shared with
24 you contain personally-identifiable information of your
25 clients. For example, Praveen and Shahnaz, it would

1 have their address and their Social Security number on
2 that tax return. It would have Sameer's personal
3 address and -- and social security number on his tax
4 return.

5 And we just want the agreement of all
6 the parties, we are going to keep that confidential and
7 not share it with anybody but you. We will not publish
8 it, and it'll all be redacted to the extent the
9 transcript goes before the Court and want your
10 agreement that you will also keep that confidential.

11 MR. REED: That's fine with me.

12 MR. RODRIGUEZ: You -- I'm totally in
13 agreement with you keeping it confidential. When you
14 say for me to keep my client's information
15 confidential --

16 MR. HAYNES: Well, to the extent --

17 MR. RODRIGUEZ: -- why do you -- why do
18 you need that agreement from me?

19 MR. HAYNES: To the extent you have
20 Sameer's Social Security number in there, I don't want
21 you to disclose it to somebody, other than -- you know,
22 I mean, you guys.

23 MR. REED: Other than our own client?

24 MR. HAYNES: Yeah, other than your own
25 clients and --

1 MR. RODRIGUEZ: Absolutely agreeable
2 with that.

3 MR. HAYNES: -- you guys obviously
4 communicate with each other and your clients
5 communicate with each other. I just don't want it
6 getting out to somebody else.

7 MR. RODRIGUEZ: The public.

8 MR. HAYNES: To the public, correct.

9 MR. PYEATT: Do we want to agree about
10 all the discovery that we produced as well, 'cause, I
11 mean, all this is in there.

12 MR. HAYNES: That would be --

13 MR. RODRIGUEZ: The discovery, it's not
14 going to be --

15 MR. HAYNES: There's --

16 MR. RODRIGUEZ: If you and I want to
17 agree that for -- for any of my clients' personal
18 information, such as his date of birth, Social
19 Security, address -- home address, any address, that
20 that will be redacted or kept confidential in any
21 hearings that we have or anything that is going to be a
22 public record, I -- I would like that agreement.

23 MR. HAYNES: Yes.

24 MR. RODRIGUEZ: Okay.

25 MR. HAYNES: And it would apply also

Sameer P. Sethi

1 because we did share with Mr. Reed, Sameer's counsel,
2 that he got a copy of that, so he will be keeping it
3 confidential as well, obviously. We all -- none of us
4 want their personally-identifiable information getting
5 out into the -- into the public sphere. Everybody's
6 agreed?

7 MR. RODRIGUEZ: Agreed.

8 MR. REED: That's fine, yeah.

9 MR. HAYNES: Okay. Thank you. We can
10 go off the record.

11 (End of proceedings at 12:08 p.m.)

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Sameer P. Sethi

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CORRECTIONS AND SIGNATURE

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PAGE/LINE

CORRECTION

REASON FOR CHANGE

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I, SAMEER P. SETHI, have read the foregoing
deposition and hereby affix my signature that same is
true and correct except as noted herein.

17

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19

SAMEER P. SETHI

CA# 4:15-cv-338

20

STATE OF _____)

21

Subscribed and sworn to before me by the said
witness, SAMEER P. SETHI, on this the _____ day of
_____, 2015.

22

23

24

NOTARY PUBLIC IN AND FOR
THE STATE OF _____

25

My Commission Expires: _____

1 STATE OF TEXAS)

2 I, Terri Garcia, a Certified Shorthand Reporter in
3 and for the State of Texas, do hereby certify that,
4 pursuant to the agreement hereinbefore set forth, there
5 came before me on the 4th day of December, A.D., 2015,
6 at 10:11 a.m., at the offices of Anderson Tobin, PLLC,
7 located at 13355 Noel Road, Suite 1900, in the City of
8 Dallas, State of Texas, the following named person, to
9 wit: SAMEER P. SETHI, who was by me duly cautioned and
10 sworn to testify the truth, the whole truth and nothing
11 but the truth, of his knowledge touching and concerning
12 the matters in controversy in this cause; and that he
13 was thereupon carefully examined upon his oath, and his
14 examination was reduced to writing under my
15 supervision; that the deposition is a true record of
16 the testimony given by the witness, same to be sworn to
17 and subscribed by said witness before any Notary
18 Public, pursuant to the agreement of the parties.

19 I further certify that I am neither attorney or
20 counsel for, nor related to or employed by, any of the
21 parties to the action in which this deposition is
22 taken, and further that I am not a relative or employee
23 of any attorney or counsel employed by the parties
24 hereto, or financially interested in the action.

25 I further certify that, before completion of the

Sameer P. Sethi

1 deposition, the Deponent __XX__, and/or the
2 Plaintiff/Defendant __XX__, did __XX__ did not ____
3 request to review the transcript.

4 In witness whereof, I have hereunto set my hand
5 and affixed my seal this 9th day of December, A.D.,
6 2015.

7
8
9 TERRI GARCIA, Texas CSR 6581
Expiration Date: 12/31/16
DepoTexas
10 Firm Reg. No. 459
6500 Greenville Avenue, Suite 445
11 Dallas, Texas 75206
12 (214) 373-4977

13 Taxable Cost: \$ _____
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**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

**SETHI PETROLEUM, LLC and
SAMEER P. SETHI,**

Defendants.

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Case No.: 4:15-cv-00338

DECLARATION OF MATTHEW J. GULDE


I, Matthew J. Gulde, do hereby declare under penalty of perjury, in accordance with 28 U.S.C. §1746, that the following is true and correct, and further that this declaration is made on my personal knowledge and that I am competent to testify as to the matters stated herein:

1. I am a resident of Fort Worth, Texas.
2. I am employed as Senior Trial Counsel for the Securities and Exchange Commission (“SEC”) in its Fort Worth Regional Office.
3. I have served as lead trial counsel for the SEC in the above captioned matter since the case was filed in May 2015.
4. On March 23, 2016, I noticed the deposition of Sameer Sethi (“Sameer”) for April 11, 2016.
5. After indicating that he would assert his Fifth Amendment rights, and in lieu of sitting for a deposition, Sameer signed a declaration stating that he would assert his privilege against self-incrimination in response to any questions about himself and Sethi Petroleum.

APP000803

6. A true and correct copy of Sameer's April 7, 2016 declaration is attached hereto as Exhibit A.

SIGNED this 14th day of September, 2016 at Fort Worth, Texas.



Matthew J. Gulde

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

**SETHI PETROLEUM, LLC and
SAMEER P. SETHI,**

Defendants.

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Case No.: 4:15-cv-00338

I, Sameer P. Sethi., hereby declare the following:

1. The United States Securities and Exchange Commission has served upon me a notice in this matter requiring me to appear for testimony on April 11, 2016.
2. I hereby confirm the assertion of my privilege against self-incrimination under the Fifth Amendment to the United States Constitution (the "Privilege") and decline to testify, and will continue to decline to testify, concerning the matters set forth in the Commission's Complaint in this case, including without limitation, testimony regarding the following topics:
 - a. Sameer P. Sethi's personal background including, but not limited to, questions concerning relatives, education, training, professional licenses, employment history, disciplinary history, regulatory history, criminal records, and any civil actions in which Sethi was or is a witness, defendant, or respondent;
 - b. Sethi's assets, including, but not limited to, questions concerning any bank, brokerage, trust or any other financial accounts, as well as any entities, domestic or foreign, in which Sethi holds a beneficial interest or over which Sethi exercises discretionary control;

EXHIBIT A

c. Any and all conduct related to Sethi Petroleum, LLC (“Sethi Petroleum”), or any of its control persons, officers, directors, managers, employees, consultants, independent contractors, shareholders, agents, or authorized representatives, including, but not limited to, Sethi Petroleum’s (i) business operations and management, (ii) public statements, including press releases and filings with the Commission, (iii) marketing and sales of oil and gas interests, including any statements made to, materials provided to, and agreements made with current and prospective investors, (iv) raising and use of funds raised from oil and gas investors, including commingling of investors’ assets; (v) involvement of investors in business decisions; (vi) performance in oil and gas investments, operations, and returns; and (vii) allocation and distribution of proceeds from oil and gas projects.

d. Any and all receipt of funds, directly or indirectly by Sameer Sethi, any and all entities controlled by him or in which he has any financial interest, or are in any way related to him or Sethi Petroleum;

e. Any and all expenditures of funds, directly or indirectly by Sameer Sethi, or any and all entities controlled by me or in which he has any financial interest;

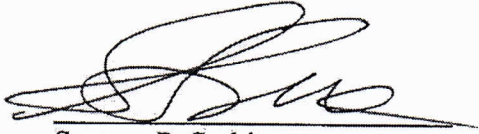
f. Any and all agreements, arrangements, or other relationships, whether contractual or otherwise, including those that relate to Sethi Petroleum, between (i) Sethi, Sethi Petroleum, or any entity in which Sethi or Sethi Petroleum have a financial or beneficial interest, and (ii) any other person or entity;

g. Any effort by Sethi to raise money from investors in the oil and gas industry;

h. Any and all communications, understandings, or other dealings related to Sethi Petroleum with any person or entity, including any investor or potential investor.

3. I reserve my right to rescind or withdraw this Declaration and waive my Privilege at any time.

Executed on the 7 day of April, 2016.



Sameer P. Sethi



APPROVED AS TO FORM:



Anthony Green
6060 N. Central Expressway
Suite 500
Dallas, Texas 75206
Attorney for Sameer P. Sethi

